

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

QUEEN'S PRINTER REVOLVING FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010



Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Queen's Printer Revolving Fund as at March 31, 2010, and the statements of operations and accumulated surplus, and changes in accumulated net recovery for the year then ended. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 12, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

Ministry of Justice and Attorney General
Queen's Printer Revolving Fund
Statement of Financial Position
As at March 31

Statement 1

	<u>2010</u>	<u>2009</u>
Financial Assets		
Cash	\$ 4,316	\$ 3,014
Accounts receivable	137,205	93,127
Inventory for resale	-	6,557
Accumulated net recovery (Statement 3)	30,084	74,458
Total Financial Assets	<u>171,605</u>	<u>177,156</u>
Liabilities		
Accounts payable and accrued liabilities	54,452	63,640
Unearned revenue (Note 5)	16,038	18,780
Total Liabilities	<u>70,490</u>	<u>82,420</u>
Accumulated Surplus	<u>\$ 101,115</u>	<u>\$ 94,736</u>

(See accompanying notes to the financial statements)

Statement 2

Ministry of Justice and Attorney General
 Queen's Printer Revolving Fund
 Statement of Operations and Accumulated Surplus
 For the year Ended March 31

	Budget 2010	Actual 2010	Actual 2009
Revenue			
Sales	\$ 692,000	\$ 849,069	\$ 828,248
Cost of Goods Sold	(221,000)	(301,405)	(267,504)
Gross Profit	471,000	547,664	560,744
Operating Expenses			
Salaries	522,000	524,878	557,350
Information Technology	20,000	49,042	16,396
Telephone	10,000	7,496	8,350
Office Supplies	15,500	16,633	16,048
Other	20,500	18,236	29,584
Total Operating Expenses	588,000	616,285	627,728
Loss from operations	(117,000)	(68,621)	(66,984)
Subsidy from General Revenue Fund	98,000	75,000	65,000
Net income (loss) after subsidy (Note 9)	\$ (19,000)	6,379	(1,984)
Accumulated surplus - beginning of year		94,736	96,720
Accumulated surplus - end of year		\$ 101,115	\$ 94,736

(See accompanying notes to the financial statements)

Ministry of Justice and Attorney General
Queen's Printer Revolving Fund
Statement of Changes in Accumulated Net Recovery
For the year Ended March 31

Statement 3

	<u>2010</u>	<u>2009</u>
Financing applied to operating activities:		
Net income (loss) after subsidy (Statement 2)	\$ 6,379	\$ (1,984)
Net decrease in working capital related to operations (Note 6)	<u>(50,753)</u>	<u>(20,838)</u>
Net increase in financing requirements	(44,374)	(22,822)
Accumulated net recovery - beginning of year	<u>74,458</u>	<u>97,280</u>
Accumulated net recovery - end of year	<u><u>\$ 30,084</u></u>	<u><u>\$ 74,458</u></u>

(See accompanying notes to the financial statements)

**MINISTRY OF JUSTICE AND ATTORNEY GENERAL
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010**

1. Authority and Definition of Reporting Entity

The Queen's Printer Revolving Fund (Revolving Fund) operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the Revolving Fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Revolving Fund is classified as an other government organization. These financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable for governments. These financial statements do not present a Statement of Change in Net Assets or a Statement of Cash Flows because this information is readily apparent from the Statement of Changes in Accumulated Net Recovery and Note 6. The following accounting policies are considered significant:

a) Accumulated net recovery

Expenditures of the Revolving Fund are made directly out of the General Revenue Fund (GRF) and receipts are deposited directly into the GRF. The excess of the accumulated expenditures over accumulated receipts is the accumulated outstanding borrowing from the GRF.

The accumulated net recovery of the Revolving Fund includes the aggregate of net financing requirements for all fiscal years resulting from the Revolving Fund's changes in working capital and net cash flow from operations.

b) Inventory for resale

Inventory for resale is valued at the lower of average cost and net realizable value.

c) Cash

Cash represents amounts collected but not yet transferred to the GRF.

d) Revenue recognition

Sales are recognized when documents/publications are delivered to customers. Subscriptions to the Saskatchewan Gazette are earned on a monthly basis.

e) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$150,000 was established by Order in Council 667/89.

4. Accumulated Surplus (Deficit)

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated surplus (deficit). If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus (deficit) for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the GRF. The limit for the Revolving Fund is \$100,000.

5. Unearned Revenue

Unearned revenue for the subscriptions to the Saskatchewan Gazette represents the portion of subscriptions that extend beyond the fiscal year.

6. Net Changes in Working Capital Related to Operations

	2010	2009
Increase in accounts receivable	\$ (44,079)	\$ (2,916)
Decrease in inventory for resale	6,557	7,898
Increase in cash	(1,302)	(415)
Decrease in accounts payable and accrued liabilities	(9,187)	(24,785)
Decrease in unearned revenue	(2,742)	(620)
Net decrease in working capital related to operations	<u>\$ (50,753)</u>	<u>\$ (20,838)</u>

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Revolving Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to the public.

These transactions and amounts outstanding at year-end are as follows:

	<u>2010</u>	<u>2009</u>
Sales	\$ 265,752	\$ 228,373
Accounts receivable	48,966	45,878

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	<u>2010</u>	<u>2009</u>
Expenses	\$ 104,127	\$ 111,150
Accounts payable and accrued liabilities	4,215	733

In addition, the Revolving Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, use of tangible capital assets and certain administrative costs. These costs have been absorbed by various ministerial appropriations and therefore no provision for such costs is reflected in these financial statements.

8. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

9. Amount Reported in the Public Accounts

The net recovery of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the GRF.

	<u>2010</u>	<u>2009</u>
Net income (loss) from operations	\$ 6,379	\$ (1,984)
Decrease in inventory for resale	6,557	7,898
Timing differences in recording transactions	79,392	(67,235)
Net recovery (requirement) reported in Public Accounts	<u>\$ 92,328</u>	<u>\$ (61,321)</u>

10. Comparative Information

Certain 2008-09 balances have been modified to conform to the current year's presentation.

